

The 
Value
 Firm®

Independent in-depth due diligence

An opportunistic cloner

- I just copy investment ideas of great (value) investors.
- I run a concentrated portfolio of 10 to 15 stocks. The idea is to hold on to a company as long as the company remains a good company. Once I have a 10 stock portfolio in place, I come up with 1 investment idea once a year max.
- I don't get into the macro stuff (the economy, the FED, the interest rates, market timing). It just doesn't make any difference and I am no good at it.
- And of course, I do my own in-depth due diligence, with focus on the durability of the competitive advantages of the company.

The 4 Filters



- *Balance sheet*
- *Business model*
- *Capital allocation*
- *Company culture*
- *Competitive dynamics*
- *Customer experience*
- *Disruptive forces*
- *Drivers for long-term growth*
- *Durable competitive advantages*
- *In-depth industry expertise*
- *Margin of safety*
- *Pricing power*
- *Reinvestment opportunities*
- *Return on capital (ROC) longevity*
- *The business's key economic characteristics 10–15 years out*
- *Top 3 business risks*
- *Track record of the CEO*
- *And many more...*

Performance

When	Company	Price	Return
2H '16	Deere	87 USD	90,3 %
2H '16	Allison Transmission	29 USD	59,6 %
1H '17	Davita	65 USD	(16,5 %)
1H '17	Verisign	83 USD	118,7 %
2H '17	Monro	47 USD	86,4 %
1H '18	Sinclair Broadcast	30 USD	29,5 %
2H '18	StoneCo	17 USD	141,8 %
2H '18	Veritiv	24 USD	9,7 %
1H '19	Liberty Global	22 USD	13,3 %

Closed positions:

When	Company	Price	Sold	Return
2H '17	Tegna	13 USD	2H '18	2,7 %
1H '18	Esterline Corp.	72 USD	2H '18	69,5 %

31 March 2019. These are not actual fund results, but it illustrates what the results could have been if we indeed started an investment partnership in 2H '16.

Partnerships

A concentrated portfolio of strong and predictable companies acquired at a price that makes sense will do the job.

- My company offers investment partnerships (fund management, separately managed accounts) based upon the original Buffett Partnership principles. For professional investors only.
- The original Buffett Investment Partnership Fee Structure applies: only a performance fee of 25% above a 6% high watermark hurdle rate.
- I can not guarantee favorable results. Performance does not happen in straight, uninterrupted, ever rising lines. If you choose to invest with me, that remains your problem!



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Everybody makes mistakes now and then. If you find any, let me know: peter@thevaluefirm.com. Always do your own research.